

Message Text

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51
ACTION EA-13

INFO OCT-01 SS-14 ISO-00 NSC-07 NSCE-00 PM-03 DODE-00 L-02

PRS-01 CIAE-00 INR-10 NSAE-00 RSC-01 SPC-01 EB-03

OMB-01 TRSE-00 SCA-01 COME-00 AID-10 DRC-01 /069 W
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R 050840Z MAR 74
FM AMEMBASSY MANILA
TO SECSTATE 1548
INFO CINCPAC

C O N F I D E N T I A L MANILA 2543

LIMDIS

CINCPAC FOR ADMIRAL GAYLER AND ABRAMOWITZ

E.O. 11652: GDS
TAGS: EGEN, PFOR, MARR, MASS, RP
SUBJECT: FORTHCOMING US-GOP NEGOTIATIONS

REFS: A. MANILA 1594; B. MANILA 1948

1. I HAD MEETING MORNING MARCH 5 WITH PRESIDENT MARCOS ON SUBJECT U.S.-PHILIPPINES NEGOTIATIONS. IN RESPONSE TO MY QUESTION, MARCOS REAFFIRMED THAT HE WAS INTERESTED IN NEGOTIATIONS ON THE ENTIRE RANGE OF SUBJECTS WE HAD DISCUSSED PREVIOUSLY, DESPITE DILATORY RESPONSES WHICH PHILS HAD MADE TO OUR VARIOUS INITIATIVES.

2. ONCE AGAIN, HE MINIMIZED THE MEASURE OF MODIFICATION WHICH HE WAS SEEKING IN OUR MILITARY AGREEMENTS, AND SAID HE FELT HE AND I COULD SETTLE THAT QUESTION "IN ONE OR TWO MEETINGS." HE REFERRED TO THE DISCUSSIONS HE HAD PREVIOUSLY HAD WITH BYROADE AND TO THE VARIOUS PANEL DISCUSSIONS WHICH HAD GENERALLY COVERED THE GROUND IN WHICH HE WAS INTERESTED.

3. ON THE LAUREL-LANGLEY NEGOTIATIONS, MARCOS SAID HE HAD
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CONCURRED IN THE TACTIC OF RETURNING OUR DRAFT TEXT BECAUSE

HIS OWN ADVISERS WERE HOPELESSLY SPLIT ON RECOMMENDATIONS FOR A COUNTER-PROPOSAL. FURTHERMORE, HE FELT THAT HE HAD TO TAKE THE NEGOTIATIONS OUT OF THE HANDS OF VIRATA, "WHO HAD ALREADY PUBLICLY ANNOUNCED HIS POSITION." IT WAS HIS SUGGESTION THAT HE AND I SHOULD HANDLE THIS ISSUE, AS WELL AS THE MILITARY MATTERS.

4. I SAID I WAS WILLING TO DISCUSS LAUREL-LANGLEY MATTERS WITH HIM, BUT NEEDED SOME TANGIBLE PROPOSALS TO WORK WITH. IF I WERE TO PROPOSE MODIFICATIONS IN THE WASHINGTON TEXT, I NEEDED TO HAVE REVISIONS, EXCISES, AND ADDITIONS PROPOSED BY THE PHILIPPINE SIDE. ALTHOUGH I KNEW WHAT SOME OF THEIR PROBLEMS WERE WITH OUR DRAFT, I DIDN'T KNOW PRECISELY HOW THEY PROPOSED TO MEET THOSE PROBLEMS.

5. WE THEN SKIMMED THE TEXT OF OUR DRAFT AND EXAMINED SOME OF THE SORE POINTS FROM THE PHILIPPINE POINT OF VIEW. MARCOS AGREED TO TAKE THE DRAFT AND HAVE HIS PEOPLE LOOK INTO REVISED LANGUAGE WHICH I COULD PUT TO WASHINGTON TO MODIFY OUR TEXT. IN PRINCIPLE, MARCOS INDICATED, THIS LANGUAGE WOULD MAKE OUR AMITY AND ECONOMIC RELATIONS TREATY A "MOST FAVORED NATION" TREATY, WITH NO RPT NO MENTION OF THE SPECIAL PROBLEMS CREATED BY LAUREL-LANGLEY.

6. WE THEN WENT OVER THOSE SPECIAL PROBLEMS, WHICH BOIL DOWN TO LAND, RETAIL TRADE, LEASES AND CONTRACTS, PLUS RESIDENCY RIGHTS AND PRIVILEGES. THERE WAS SOME DISCUSSION ABOUT HAVING THESE MATTERS HANDLED IN A SEPARATE INSTRUMENT, POSSIBLY AN EXCHANGE OF NOTES, BUT NOTHING DEFINITIVE WAS AGREED. IT WAS AGREED, HOWEVER, THAT INDUSTRY SECRETARY PATERNO WOULD MEET DIRECTLY WITH AMERICAN BUSINESS COMMUNITY LEADERS TO DISCUSS SPECIFIC PROBLEMS WHICH THEY FACE. ONCE AGAIN, IN THE DISCUSSION OF THE LAND PROBLEM, MARCOS DREW A DISTINCTION BETWEEN RESIDENTIAL LAND AND OTHER TYPES OF LANG HOLDINGS. HE SAID HE EXPECTED A REPORT ON THE "CLASSIFICATION OF ALL LANDS" BEFORE THE END OF THIS MONTH.

7. FINALLY, AFTERSOME BRIEF MENTION OF VISA PROBLEMS, DOUBLE TAXATION TREATIES, AND TRADE PREFERENCE MATTERS, MARCOS AGREED THAT HE AND I WOULD MEET AGAIN AFTER THE
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VISITS OF DEPSEC RUSH AND THE SAUDI ARABIAN FOREIGN MINISTER, WHICH WILL CONSUME THE REST OF THIS WEEK, PLUS THE COMING WEEKEND.

8. COMMENT: IT WOULD APPEAR THAT MARCOS IS TAKING ALL THESE NEGOTIATIONS OUT OF THE HANDS OF HIS SUBORDINATES, BUT THAT HE HIMSELF HAS BEEN TOO PREOCCUPIED TO GIVE MUCH CONCENTRATED ATTENTION TO THEM. HOWEVER, BY AGREEING TO

TAKE BACK THE TEXT OF OUR DRAFT AND TRY TO PROVIDE US WITH
ALTERNATE LANGUAGE, HE HAS AT LEAST ACCEPTED A TACTICAL
MEANS OF GETTING OUT OF CURRENT INPASSE. I WILL HAVE
ARNOLD FOLLOW UP WITH PATERNO BOTH ON THE REVISED LANGUAGE
AND ON THE MEETINGS WITH BUSINESSMEN.
SULLIVAN

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Message Attributes

Automatic Decaptoning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, ECONOMIC COOPERATION, FOREIGN RELATIONS, TRADE AGREEMENTS, LAUREL-LANGLEY AGREEMENT, NEGOTIATIONS, MILITARY AGREEMENTS, FOREIGN IN VESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MANILA02543
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740367/aaaacksj.tel
Line Count: 121
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: A. MANILA 1594; B. MANILA 1948
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2002 by rowelle0>; APPROVED <13 JAN 2003 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FORTHCOMING US-GOP NEGOTIATIONS
TAGS: EGEN, PFOR, MARR, MASS, RP, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005